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Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

February 7, 2008

RE: Case No. 2007-00522

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/tw  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF KENTUCKY ) CASE NO. 2007-00522  
POWER COMPANY FROM MAY 1, 2007 )  
THROUGH OCTOBER 31, 2007 )

O R D E R

On January 23, 2008, the Commission opened this 6-month fuel adjustment clause ("FAC") review case for Kentucky Power Company ("Kentucky Power") for the period from May 1, 2007 through October 31, 2007.<sup>1</sup> The Commission directed any party wishing to file testimony in this proceeding to petition the Commission for an Order establishing a procedural schedule. On January 30, 2008, Kentucky Power petitioned the Commission for such an Order.

Kentucky Power proposed to file the testimony of Errol K. Wagner in this proceeding. Kentucky Power stated that Mr. Wagner's testimony would address the recent Order of the Federal Energy Regulatory Commission directing PJM<sup>2</sup> to change its methodology for determining and allocating to load serving entities the costs associated with transmission line losses and the change's effect on the method for calculating Kentucky Power's fuel costs for purposes of the fuel adjustment charge.<sup>3</sup>

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<sup>1</sup> The January 23, 2008 Order requested certain information regarding Kentucky Power's FAC and established a March 18, 2007 hearing date.

<sup>2</sup> Pennsylvania, New Jersey, Maryland Interconnection, LLC.

<sup>3</sup> The testimony was filed on February 1, 2008.

The Commission finds Kentucky Power's request to be reasonable and that the request should be granted.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's motion for an Order establishing a procedural schedule in this matter is granted.

2. The procedural schedule set forth in Appendix A, attached hereto and incorporated herein, shall be followed in this proceeding. The hearing date is unchanged by this Order.

Done at Frankfort, Kentucky, this 7<sup>th</sup> day of February, 2008.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00522 DATED FEBRUARY 7, 2008

Data Requests to Kentucky Power regarding its testimony  
shall be filed no later than.....02/21/08

Kentucky Power shall file responses to supplemental  
data requests no later than.....03/06/08